

Message Text

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71

ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06

SP-02 CIEP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15

STR-04 CEA-01 PA-02 PRS-01 /109 W

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R 191415Z AUG 76

FM AMEMBASSY BERN

TO SECSTATE WASHDC 3054

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION EC BRUSSELS

USMISSION GENEVA

USMISSION OECD PARIS

AMCONSUL ZURICH

UNCLAS BERN 3715

PASS TREASURY AND FRB

EO 11652: N/A

TAGS: EFIN SZ GW

SUBJ: SECOND SWISS BANK LOAN TO FRG

REF: BERN 2567 AND 2611

1. SWISS VOLKSBANK (BANQUE POPULAIRE SUISSE) ANNOUNCED AUG 17 THAT IT AND THREE LARGEST SWISS BANKS (UNION BANK OF SWITZERLAND, SWISS BANK CORP AND SWISS CREDIT BANK) HAVE COMBINED TO LOAN DM 200 MILLION TO FRG FOR 31 MONTHS AT FIXED RATE 6.75 PERCENT INTEREST; SAME TERMS THOSE FOR LOAN DM 750 MILLION TO FRG ANNOUNCED JUNE 9. SWISS NATIONAL BANK (SNB) SOURCE TOLD EMBOFF THIS SECOND TRANCHE LOAN TO FRG ARRANGED TO INCOUDE VOLKSBANK WHICH DID NOT PARTICIPATE
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FIRST TRANCHE; NORMALLY LARGEST FOUR SWISS BANKS WOULD

FORM CONSORTIUM FOR LOAN THIS SIZE. IT HAS ALSO BEEN CONFIRMED THAT SNB AGREED TO QUARANTEE EXCHANGE RATE AT WHICH CONSORTIUM WILL RECEIVE THEIR FRANCS WHEN LOAN MATURES. BANKS PAID SNB CHARGE OF 1.5 PERCENT FOR THIS PROTECTION FOR JUNE LOAN;PRESUMABLY SAME RATE WILL APPLY TO THIS ONE.

2. SNB HAS DECLINED COMMENT ON FOREIGN EXCHANGE TRANS-ACTIONS RELATED TO THIS LOAN. SNB FOREIGN EXCHANGE HOLDINGS STILL VERY HIGH FOLLOWING JUNE MARKET INTER-VENTIOS. PRESS REPORTED OBJECTIVE IS TO RELIEVE UPWARD PRESSURE ON SWISS FRANC EXCHANGE RATE AND ABSORB SOME SWISS CAPITAL MAKRET LIQUIDITY.

3. BANK CIRCLES REPORTED POSSIBILITY FRG MAY BORROW ADDITIONAL FUNDS HERE. HOWEVER, VOLKSBANK STATED IT NOT PRESENTLY CONSIDERING ANY FURTHER LOANS.
DAVIS

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NNN

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Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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TAGS: EFIN, SZ, GE, SWISS VOLKSBANK, BANQUE POPULAIRE SUISSE, UNION BANK OF SWITZERLAND, SWISS BANK CORP, SWISS CREDIT BANK
To: STATE
Type: TE
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